

Form 990

Return of Organization Exempt From Income Tax

2017

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
- Information about Form 990 and its instructions is at www.irs.gov/form990.

Open to Public
Inspection

A For the 2017 calendar year, or tax year beginning 01-01-2017, and ending 12-31-2017

B Check if applicable:

- Address change
- Name change
- Initial return
- Final return/terminated
- Amended return
- Application pending

C Name of organization
SAN MIGUEL ELECTRIC COOPERATIVE INC

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) PO Box 280

City or town, state or province, country, and ZIP or foreign postal code
Jourdanton, TX 78026

D Employer identification number

74-1937134

E Telephone number

(830) 784-3411

G Gross receipts \$ 150,983,044

F Name and address of principal officer:

Michael Kezar
P O Box 280
Jourdanton, TX 78026

H(a) Is this a group return for

subordinates? Yes NoH(b) Are all subordinates included? Yes No

If "No," attach a list. (see instructions)

H(c) Group exemption number ►

I Tax-exempt status: 501(c)(3) 501(c) (12) (insert no.) 4947(a)(1) or 527J Website: ► www.smeci.netK Form of organization: Corporation Trust Association Other ►

L Year of formation: 1977 M State of legal domicile: TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities:

San Miguel was created for the sole purpose of owning and operating a 400 MW mine-mouth lignite-fired generating plant and associated mining facilities to furnish power and energy to its member cooperatives.

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	16
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	192
6 Total number of volunteers (estimate if necessary)	6	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

Activities & Governance

Revenue

Expenses

Net Assets or Fund Balances

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	131,504,440	137,010,320
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,911,121	7,338,014
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,399,126	6,634,710
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	148,814,687	150,983,044
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	1,275,066	272,380
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	17,862,081	17,963,482
16a Professional fundraising fees (Part IX, column (A), line 11c)	0	0
b Total fundraising expenses (Part IX, column (D), line 25)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	129,677,540	132,747,182
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	148,814,687	150,983,044
19 Revenue less expenses. Subtract line 18 from line 12	0	0

Beginning of Current Year	End of Year
346,711,564	379,687,395
228,667,949	264,109,121
118,043,615	115,578,274

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

2018-08-27

Date

Michael Kezar General Manager
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Δ EXHIBIT 16
Deponent: *Summert*
Date: *4-24-19* Rpt #: *RPT 9*

WWW.DEPBOOK.COM

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No
For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11282Y

Form 990 (2017)

Part VII Investments® Other Securities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11b.
See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments® Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Mine closure and Plant decommissioning	77,664,000	F
(2) Ash Pond Cleanout funds	2,498,293	F
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col.(B) line 13.)		

Part IX Other Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Patronage Capital from Associated Cooperatives	1,584,807
(2) Restricted Investments in Associated Organizations	21,158,923
(3) Special Funds - Homestead Funds/Deferred Compensation-457 (b)	623,164
(4) Interest Receivable	1,687,635
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f.
See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
Accumulated provisions for FAS 106	795,800
Accumulated provision for Homestead Funds	623,164
Accumulated provision for Mine Closure	46,421,886
Asset Retirement Obligation - CCR Impacted Items	4,043,214
Decommissioning Liability	9,021,859
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col.(B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII